

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2007-1329-IWD-E TCEQ ID: RN102411352 CASE NO.: 34434
RESPONDENT NAME: BAE Systems Tactical Vehicle Systems LP

Page 1 of 3

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input checked="" type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: BAE Systems Tactical Vehicle Systems, at the northeast corner of the intersection of Interstate Highway 10 and Pyka Road, approximately three miles west of the City of Sealy, Austin County</p> <p>TYPE OF OPERATION: Medium tactical vehicle manufacturing facility</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on January 22, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: Ms. Melissa Keller, SEP Coordinator, Enforcement Division, MC 219, (512) 239-1768 TCEQ Enforcement Coordinator: Mr. J. Craig Fleming, Enforcement Division, Enforcement Team 3, MC 149, (512) 239-5806, Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Richard Hammond, Vice President Operations & Site Leader, BAE Systems Tactical Vehicle Systems LP, P.O. Box 330, Sealy, Texas 77474 Respondent's Attorney: Ms. Sara M. Burgin, Baker Botts L.L.P., 1500 San Jacinto Center, 98 San Jacinto Boulevard, Austin, Texas 78701-4039</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: July 17, 2007</p> <p>Date of NOV/NOE Relating to this Case: August 3, 2007 (NOE)</p> <p>Background Facts: This was a routine record review.</p> <p>WATER</p> <p>1) Failed to comply with the permitted effluent limitations for Flow and pH [30 TEX. ADMIN. CODE § 305.125(1), TEX. WATER CODE § 26.121(a), and Texas Pollution Discharge Elimination System ("TPDES") Permit No. WQ0002462000, Effluent Limitations and Monitoring Requirements No. 1 for Outfall 001A].</p> <p>2) Failed to comply with the permitted effluent limitations for Total Suspended Solids ("TSS") and Total Zinc [30 TEX. ADMIN. CODE § 305.125(1), TEX. WATER CODE § 26.121(a), and TPDES Permit No. WQ0002462000, Effluent Limitations and Monitoring Requirements No. 1 for Outfall 201A].</p> <p>3) Failed to comply with the permitted effluent limitations for TSS, Total Chlorine, and Biochemical Oxygen Demand [30 TEX. ADMIN. CODE § 305.125(1), TEX. WATER CODE § 26.121(a), and TPDES Permit No. WQ0002462000, Effluent Limitations and Monitoring Requirements No. 1 for Outfall 301A].</p> <p>4) Failed to submit monitoring results at the intervals specified in the permit. Specifically, no Discharge Monitoring Report parameter data was submitted for the pH minimum at Outfall 001A for the monitoring periods ending June 30 and</p>	<p>Total Assessed: \$28,244</p> <p>Total Deferred: \$5,648 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$11,298</p> <p>Total Paid to General Revenue: \$11,298</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent has had a name change and has implemented the following corrective measures at the Facility by August 20, 2007:</p> <p>a. Submitted the minimum pH data for the months of June and July, 2006;</p> <p>b. Implemented a procedure whereby the effluent samples are being collected and reported in a timely manner and at the required frequency; and</p> <p>c. Changed the TPDES Permit No. WQ0002462000 from Stewart & Stevenson Tactical Vehicle Systems, LP to BAE Systems Tactical Vehicle Systems LP on August 1, 2007.</p> <p>Ordering Provisions:</p> <p>1) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A)</p> <p>2) The Order will also require the Respondent to, within 90 days after the effective date of this Agreed Order, submit written certification of compliance with the permitted effluent limitations of TPDES Permit No. WQ0002462000, including specific corrective actions that were implemented at the Facility to achieve compliance and copies of the most current self-reported discharge monitoring reports, demonstrating at least three consecutive months of compliance with all permitted effluent limitations.</p>

July 31, 2006 [30 TEX. ADMIN. CODE § 305.125(17), and TPDES Permit No. WQ0002462000, Reporting Requirements].		
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Additional ID No(s): TPDES Permit No. WQ0002462000

Attachment A
Docket Number: 2007-1329-IWD-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	BAE Systems Tactical Vehicle Systems LP
Payable Penalty Amount:	Twenty-Two Thousand Five Hundred Ninety-Six Dollars (\$22,596)
SEP Amount:	Eleven Thousand Two Hundred Ninety-Eight Dollars (\$11,298)
Type of SEP:	Pre-approved
Third-Party Recipient:	Texas Association of Resource Conservation and Development Areas, Inc. ("RC&D")- Wastewater Treatment Assistance
Location of SEP:	Austin County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to provide low income rural homeowners with assistance to enable the repair or replacement of their failing on-site wastewater systems. SEP monies will be used to pay for the labor and materials costs related to repairing or replacing the failing systems. The recipients will not be charged for the cost of replacing or repairing the failing systems.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by protecting water sources for drinking, recreation, and wildlife from contamination from failing treatment systems

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Texas Association of Resource Conservation and Development Areas, Inc.
1716 Briarcrest Drive
Bryan, Texas 77802-2700

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision June 26, 2007

TCEQ

DATES	Assigned	6-Aug-2007	Screening	15-Aug-2007	EPA Due	
	PCW	28-Jan-2008				

RESPONDENT/FACILITY INFORMATION

Respondent	BAE Systems Tactical Vehicle Systems LP				
Reg. Ent. Ref. No.	RN102411352				
Facility/Site Region	12-Houston		Major/Minor Source	Minor	

CASE INFORMATION

CASE INFORMATION				No. of Violations		4
Enf./Case ID No.	34434			Order Type	1660	
Docket No.	2007-1329-IWD-E			Enf. Coordinator	J. Craig Fleming	
Media Program(s)	Water Quality			EC's Team	EnforcementTeam 3	
Multi-Media						
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000		

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)

Subtotal 1 \$9,200

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History 232% Enhancement Subtotals 2, 3, & 7 \$21,344

Notes

An enhancement is recommended for 43 months of self-reported effluent violations, one agreed final enforcement order containing a denial of liability, one notice of intended audit, and one disclosure of violations.

Culpability

No

0% Enhancement

Subtotal 4 \$0

Notes

The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply

0% Reduction

Subtotal 5 \$0

Before NOV NOV to EDP RP/Settlement Offer

Extraordinary

Ordinary

N/A

X

(mark with x)

Notes

The Respondent does not meet the good faith criteria.

0% Enhancement*

Subtotal 6 \$0

Total EB Amounts	\$232
Approx. Cost of Compliance	\$2,100

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7

Final Subtotal \$30,544

OTHER FACTORS AS JUSTICE MAY REQUIRE

-8%

Adjustment -\$2,300

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes

Recommended reduction in penalty so that monthly self-reported violations do not overly impact the penalty amount.

Final Penalty Amount \$28,244

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty \$28,244

DEFERRAL

20%

Reduction

Adjustment -\$5,648

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY

 \$22,596

Screening Date 15-Aug-2007

Docket No. 2007-1329-IWD-E

PCW

Respondent BAE Systems Tactical Vehicle Systems LP

Policy Revision 2 (September 2002)

Case ID No. 34434

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN102411352

Media [Statute] Water Quality

Enf. Coordinator J. Craig Fleming

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	43	215%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	1	-2%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 232%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

An enhancement is recommended for 43 months of self-reported effluent violations, one agreed final enforcement order containing a denial of liability, one notice of intended audit, and one disclosure of violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 232%

Screening Date 15-Aug-2007 Respondent BAE Systems Tactical Vehicle Systems LP Case ID No. 34434 Reg. Ent. Reference No. RN102411352 Media [Statute] Water Quality Enf. Coordinator J. Craig Fleming Violation Number 1 Rule Cite(s) 30 Tex. Admin. Code § 305.125(1), Tex. Water Code § 26.121(a), and TPDES Permit No. WQ0002462000, Effluent Limitations and Monitoring Requirements No. 1 for Outfall 001A Violation Description Failed to comply with the permitted effluent limitations as documented in a record review conducted on July 17, 2007. See attached table.	Docket No. 2007-1329-IWD-E PCW <i>Policy Revision 2 (September 2002)</i> <i>PCW Revision June 26, 2007</i>
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Base Penalty	\$10,000
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>> Environmental, Property and Human Health Matrix

OR		Release	Harm				
		Major	Moderate	Minor			
	Actual			x			
	Potential						

	Percent	10%
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>> Programmatic Matrix

	Falsification	Major	Moderate	Minor			

	Percent	0%
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Matrix Notes	Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.
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Adjustment	\$9,000
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	\$1,000
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Violation Events

Number of Violation Events	3		184	Number of violation days
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mark only one with an x	daily						
	monthly						
	quarterly	x					
	semiannual						
	annual						
	single event						

	Violation Base Penalty	\$3,000
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Three quarterly events are recommended.

Economic Benefit (EB) for this violation	Statutory Limit Test
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Estimated EB Amount	\$225		Violation Final Penalty Total	\$9,210
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This violation Final Assessed Penalty (adjusted for limits)	\$9,210
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Economic Benefit Worksheet**Respondent** BAE Systems Tactical Vehicle Systems LP**Case ID No.** 34434**Reg. Ent. Reference No.** RN102411352**Media** Water Quality**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$2,000	1-Jun-2006	1-Sep-2008	2.3	\$225	n/a	\$225

Notes for DELAYED costs

The estimated cost for additional oversight and sampling which could have reduced or alleviated the exceedances. The Date Required is the date the noncompliances started. The Final Date is the anticipated date of compliance.

Avoided Costs**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

NA

Approx. Cost of Compliance

\$2,000

TOTAL

\$225

Screening Date 15-Aug-2007

Docket No. 2007-1329-IWD-E

PCW

Respondent BAE Systems Tactical Vehicle Systems LP

Policy Revision 2 (September 2002)

Case ID No. 34434

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN102411352

Media [Statute] Water Quality

Enf. Coordinator J. Craig Fleming

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 305.125(1), Tex. Water Code § 26.121(a), and TPDES Permit No. WQ0002462000, Effluent Limitations and Monitoring Requirements No. 1 for Outfall 201A

Violation Description

Failed to comply with the permitted effluent limitations as documented in a record review conducted on July 17, 2007. See attached table.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 10%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1

62 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	x
	semiannual	
	annual	
	single event	

Violation Base Penalty \$1,000

One quarterly event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$3,070

This violation Final Assessed Penalty (adjusted for limits) \$3,070

Economic Benefit Worksheet

Respondent BAE Systems Tactical Vehicle Systems LP
Case ID No. 34434
Reg. Ent. Reference No. RN102411352
Media Water Quality
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

See Violation No. 1

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

NA

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 15-Aug-2007

Docket No. 2007-1329-IWD-E

PCW

Respondent BAE Systems Tactical Vehicle Systems LP

Policy Revision 2 (September 2002)

Case ID No. 34434

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN102411352

Media [Statute] Water Quality

Enf. Coordinator J. Craig Fleming

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code § 305.125(1), Tex. Water Code § 26.121(a), and TPDES Permit No. WQ0002462000, Effluent Limitations and Monitoring Requirements No. 1 for Outfall 301A

Violation Description

Failed to comply with the permitted effluent limitations as documented in a record review conducted on July 17, 2007. See attached table.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 10%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

A simplified model was used to evaluate Biochemical Oxygen Demand (5 Day) Daily Average to determine whether the discharged amounts of pollutants exceeded levels protective of human health or the environment. Chlorine, Total Suspended Solids, and Flows were also considered. As a result of these discharges, human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 5

276 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	x
	semiannual	
	annual	
	single event	

Violation Base Penalty \$5,000

Five quarterly events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$15,350

This violation Final Assessed Penalty (adjusted for limits) \$15,350

Economic Benefit Worksheet**Respondent** BAE Systems Tactical Vehicle Systems LP**Case ID No.** 34434**Reg. Ent. Reference No.** RN102411352**Media** Water Quality**Violation No.** 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

See Violation No. 1

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

NA

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 15-Aug-2007

Docket No. 2007-1329-IWD-E

PCW

Respondent BAE Systems Tactical Vehicle Systems LP

Policy Revision 2 (September 2002)

Case ID No. 34434

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN102411352

Media [Statute] Water Quality

Enf. Coordinator J. Craig Fleming

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code § 305.125(17), and TPDES Permit No. WQ0002462000, Reporting Requirements

Violation Description

Failed to timely submit monitoring results at the intervals specified in the permit. Specifically, no Discharge Monitoring Report parameter data was submitted for the pH minimum at Outfall 001A for the monitoring periods ending June 30 and July 31, 2006.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
			x

Percent 1%

Matrix Notes

Most, but not all (at least 70% percent) of a permit requirement is met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 2

61 Number of violation days

mark only one
with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$200

Two single events (one for each missed monthly sampling component) are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$6

Violation Final Penalty Total \$614

This violation Final Assessed Penalty (adjusted for limits) \$614

Economic Benefit Worksheet**Respondent** BAE Systems Tactical Vehicle Systems LP**Case ID No.** 34434**Reg. Ent. Reference No.** RN102411352**Media** Water Quality**Violation No.** 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System	\$100	1-Jun-2006	20-Aug-2007	1.2	\$6	n/a	\$6
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

The estimated cost (\$50 per sampling event) for not reporting the routine monthly samples for pH. The Date required is the first day of the scheduled sampling. The Final Date is the date the pH monitoring data was submitted.

Avoided Costs**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

NA

Approx. Cost of Compliance

\$100

TOTAL

\$6

BAE Systems Tactical Vehicle Systems LP

2007-1329-IWD-E

Effluent Violation Table				
Outfall No. 001A				
Permitted Effluent Limits	Effluents Monitored			
	Flow Daily Average through conduit 0.395 MGD	Flow (Dry Weather) Daily Average 0.395 MGD	pH Effluent Gross Maximum Value of 9.5 SU	pH Effluent Gross Maximum Value of 10.0 SU
June 2006	0.660	C	C	C
July 2006	C	C	9.71	C
August 2006	C	C	9.77	C
January 2007	C	0.606	C	C
June 2007	C	C	C	10.3
July 2007	C	C	C	10.1

SU = Standard Unit	MGD = million gallons per day	C = compliant	mg/L = milligrams per Liter
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BAE Systems Tactical Vehicle Systems LP

2007-1329-IWD-E

Effluent Violation Table				
Outfall No. 201A				
Permitted Effluent Limits	Effluents Monitored			
	Total Suspended Solids Daily Average of 31 mg/L	Total Suspended Solids Daily maximum of 60 mg/L	Total Zinc Daily Average of 1.48 mg/L	Total Zinc Daily Maximum of 2.61 mg/L
August 2006	31.8	108	C	C
October 2006	C	C	1.54	3.06

SU = Standard Unit	MGD = million gallons per day	C = compliant	mg/L = milligrams per Liter
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BAE Systems Tactical Vehicle Systems LP

2007-1329-IWD-E

Effluent Violation Table					
Outfall 301A					
Permitted Effluent Limits	Effluents Monitored				
	Total Suspended Solids Daily Average of 20 mg/L	Total Suspended Solids Daily Maximum of 45 mg/L	Total Chlorine Residual Monthly Maximum of 4.0 mg/L	Biochemical Oxygen Demand (5 Day) Daily Average of 20 mg/L	Biochemical Oxygen Demand (5 Day) Daily Maximum of 45 mg/L
June 2006	C	50.80	4.12	C	C
November 2006	C	C	4.06	C	C
December 2006	C	C	C	24	C
January 2007	28	65	C	24	84
March 2007	73	187	C	26	73
July 2007	58.8	108	C	C	C

SU = Standard Unit	MGD = million gallons per day	C = compliant	mg/L = milligrams per Liter
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Compliance History

Customer/Respondent/Owner-Operator: CN601250277 BAE Systems Tactical Vehicle Systems LP Classification: AVERAGE Rating: 21.78

Regulated Entity: RN102411352 BAE SYSTEMS TACTICAL VEHICLE SYSTEMS Classification: AVERAGE Site Rating: 41.67

ID Number(s):

WASTEWATER	PERMIT	WQ0002462000
WASTEWATER	PERMIT	TX0085936
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD981592520
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	32050
PETROLEUM STORAGE TANK REGISTRATION	REGISTRATION	4533
AIR NEW SOURCE PERMITS	PERMIT	21548
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	AH0065E
AIR NEW SOURCE PERMITS	AFS NUM	4801500021
AIR NEW SOURCE PERMITS	REGISTRATION	78113
AIR NEW SOURCE PERMITS	REGISTRATION	78075
AIR NEW SOURCE PERMITS	REGISTRATION	81619
WASTEWATER LICENSING	LICENSE	WQ0002462000
AIR OPERATING PERMITS	ACCOUNT NUMBER	AH0065E
AIR OPERATING PERMITS	PERMIT	2644

Location: 5000 IH 10, SEALY, TX, 77474 Rating Date: 9/1/2006 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: January 17, 2008

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: August 13, 2002 to August 13, 2007

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: J. Craig Fleming Phone: 512/239-5806

Site Compliance History Components

- Has the site been in existence and/or operation for the full five year compliance period? Yes
- Has there been a (known) change in ownership of the site during the compliance period? No
- If Yes, who is the current owner? N/A
- If Yes, who was/were the prior owner(s)? N/A
- When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A Effective Date: 01/26/2006 ADMINORDER 2004-1886-IHW-E
Classification: Major

Citation: 30 TAC Chapter 335, SubChapter A 335.2(b)
40 CFR Chapter 270, SubChapter I, PT 270, SubPT A 270.1

Description: Failing to properly dispose of hazardous waste at an authorized disposal site from April 15, 1998 through February 26, 2004.

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.62
40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11

Description: Failing to conduct hazardous waste determination for the filter cake waste generated from the chrome coating of aluminum automobile parts.

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter A 335.6(c)

Description: Failing to update the Notice of Registration ("NOR") with all solid waste streams and waste management units. Specifically, the NOR should be updated to reflect all waste streams, the wastewater sump and tank units, and the filter press that processes hazardous F019 wastes.

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	07/14/2003	(316814)
2	07/14/2003	(316816)
3	07/24/2003	(316818)
4	08/29/2003	(316820)
5	09/25/2003	(316822)
6	11/20/2003	(316824)
7	11/24/2003	(316826)
8	12/29/2003	(316828)
9	01/29/2004	(316830)
10	02/20/2004	(316809)
11	02/25/2004	(424736)
12	02/25/2004	(424738)
13	02/25/2004	(316810)
14	02/25/2004	(316813)
15	02/25/2004	(316815)
16	02/25/2004	(316817)
17	02/25/2004	(316819)
18	02/25/2004	(316821)
19	02/25/2004	(316823)
20	02/25/2004	(316825)
21	02/25/2004	(316827)
22	02/25/2004	(316829)
23	03/24/2004	(316811)
24	04/22/2004	(316812)
25	05/24/2004	(361078)
26	06/21/2004	(361079)
27	07/23/2004	(361080)
28	08/30/2004	(361081)
29	09/23/2004	(361082)
30	09/27/2004	(292264)
31	10/20/2004	(361083)
32	11/23/2004	(386938)
33	12/22/2004	(386939)
34	01/24/2005	(386940)
35	03/17/2005	(386937)
36	04/18/2005	(377084)
37	04/21/2005	(424739)
38	05/20/2005	(424740)
39	06/14/2005	(424737)
40	06/23/2005	(424741)
41	07/15/2005	(379681)
42	07/22/2005	(424742)
43	08/22/2005	(445418)
44	09/22/2005	(445419)
45	10/21/2005	(476877)
46	11/21/2005	(476878)
47	12/19/2005	(476879)
48	01/25/2006	(476880)
49	03/02/2006	(476875)
50	03/23/2006	(476876)
51	04/13/2006	(503716)
52	06/12/2006	(503717)
53	07/26/2006	(526067)

54	07/26/2006	(526068)
55	08/28/2006	(526069)
56	09/14/2006	(526070)
57	11/16/2006	(550429)
58	11/16/2006	(550430)
59	12/20/2006	(550431)
60	01/15/2007	(586584)
61	01/15/2007	(586585)
62	02/09/2007	(539444)
63	02/20/2007	(586579)
64	04/13/2007	-586581
65	04/30/2007	-462416
66	05/10/2007	-586582
67	06/13/2007	-586583
68	07/12/2007	-604727
69	08/03/2007	-568050

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date	08/31/2002	(316821)	
Self Report?	YES		Classification: Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	10/31/2002	(316825)	
Self Report?	YES		Classification: Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	11/30/2002	(316827)	
Self Report?	YES		Classification: Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	12/31/2002	(316829)	
Self Report?	YES		Classification: Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	01/31/2003	(424736)	
Self Report?	YES		Classification: Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	02/28/2003	(316810)	
Self Report?	YES		Classification: Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	03/31/2003	(424738)	
Self Report?	YES		Classification: Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	05/31/2003	(316816)	
Self Report?	YES		Classification: Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	06/30/2003	(316818)	
Self Report?	YES		Classification: Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)		
Description:	Failure to meet the limit for one or more permit parameter		

Date 07/31/2003 (316820)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 08/31/2003 (316822)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 09/30/2003 (316824)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 10/31/2003 (316826)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 11/30/2003 (316828)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 12/31/2003 (316830)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 01/31/2004 (316809)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 02/29/2004 (316811)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 03/31/2004 (316812)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 04/30/2004 (361078)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 05/31/2004 (361079)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 06/30/2004 (361080)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 07/31/2004 (361081)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter
 Date 11/30/2004 (386939)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter
 Date 02/28/2005 (386937)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter
 Date 03/31/2005 (424739)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter
 Date 05/31/2005 (424741)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter
 Date 06/30/2005 (424742)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter
 Date 07/31/2005 (445418)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter
 Date 08/31/2005 (445419)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter
 Date 09/30/2005 (476877)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter
 Date 10/31/2005 (476878)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter
 Date 12/31/2005 (476880)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter
 Date 01/31/2006 (476875)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter
 Date 06/30/2006 (526068)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter
 Date 07/31/2006 (526069)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 08/31/2006 (526070)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 10/31/2006 (550430)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 11/30/2006 (550431)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 12/31/2006 (586585)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 01/31/2007 (586579)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 03/31/2007 (586581)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date 06/30/2007 (604727)
 Self Report? YES Classification: Moderate
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter
 Date 07/31/2007 (604728)
 Self Report? YES Classification: Moderate
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter

F. Environmental audits.

Notice of Intent Date: 01/30/2004 (263330)
 Disclosure Date: 08/31/2004
 Viol. Classification: Moderate
 Citation: 30 TAC Chapter 330, SubChapter F
 30 TAC Chapter 335, SubChapter A
 Description: Disposal of wastes generated at the facility at an unauthorized site. Universal wastes, such as thermostats, lamps and paint-related materials have been disposed in the general trash as Class 2 wastes. Used oil filters have been disposed in a landfill.
 Viol. Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C
 30 TAC Chapter 335, SubChapter R
 40 CFR Chapter 262, SubChapter I, PT 262, SubPT A
 Description: Failure to make a hazardous waste determination on every waste generated at the facility.
 Viol. Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter A
 Description: Failure to amend the facility's Notice of Registration in a timely manner.
 Viol. Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C
 30 TAC Chapter 335, SubChapter E
 30 TAC Chapter 335, SubChapter H
 40 CFR Chapter 262, SubChapter I, PT 262, SubPT C
 40 CFR Chapter 265, SubChapter I, PT 265, SubPT I
 40 CFR Chapter 273, SubChapter I, PT 273, SubPT C

Description: Failure to store hazardous and universal wastes in closed containers.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter E
40 CFR Chapter 265, SubChapter I, PT 265, SubPT I

Description: Failed to inspect at least weekly hazardous waste container storage areas.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter H
40 CFR Chapter 273, SubChapter I, PT 273, SubPT C

Description: Failure to demonstrate the length of time that universal waste has been accumulating.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter H
40 CFR Chapter 273, SubChapter I, PT 273, SubPT C

Description: Failure to store universal waste in proper containers.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 324, SubChapter A
30 TAC Chapter 335, SubChapter C
30 TAC Chapter 335, SubChapter H
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C
40 CFR Chapter 273, SubChapter I, PT 273, SubPT C
40 CFR Chapter 279, SubChapter I, PT 279, SubPT C

Description: Failed to properly label containers containing hazardous waste, universal waste and used oil.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter C
30 TAC Chapter 335, SubChapter E
30 TAC Chapter 335, SubChapter H
40 CFR Chapter 265, SubChapter I, PT 265, SubPT B

Description: Failure to train employees who handle hazardous and universal waste.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F
Rqmt Prov: PERMIT TPDES Permit No. 02462, 4(d)
PERMIT TPDES Permit No. 02462, Sec 1(a)
PERMIT TPDES Permit No. 02462, Sec 2(e)
PERMIT TPDES Permit No. 02462, Sec 4(a)
PERMIT TPDES Permit No. 02462, Sec 7(d)

Description: Unauthorized contributing waste stream was added to Outfall 201 without notification to TCEQ or permit amendment.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F
30 TAC Chapter 319, SubChapter A
Rqmt Prov: PERMIT TPDES Permit No. 02462, Sec. 1

Description: Failure to provide monitoring results at the specified intervals.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter A
30 TAC Chapter 335, SubChapter C
30 TAC Chapter 335, SubChapter E
30 TAC Chapter 335, SubChapter H
30 TAC Chapter 335, SubChapter Q
40 CFR Chapter 262, SubChapter I, PT 262, SubPT D
40 CFR Chapter 265, SubChapter I, PT 265, SubPT B

Description: Failure to maintain records on hazardous and industrial solid wastes.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter Q

Description: Failure to produce a pollution prevention plan for the facility.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter Q

Description: Failure to submit annual progress reports for the pollution prevention plan.
Viol. Classification: Moderate
Citation: 30 TAC Chapter 328, SubChapter F

Description: Failure to monitor for vectors in scrap tires and to utilize appropriate vector control measures every two

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
BAE SYSTEMS TACTICAL VEHICLE
SYSTEMS LP
RN102411352**

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**BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-1329-IWD-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding BAE Systems Tactical Vehicle Systems LP, formerly known as Stewart & Stevenson Tactical Vehicle Systems, LP ("the Respondent") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent represented by Ms. Sara M. Burgin of the law firm of Baker Botts L.L.P., appear before the Commission and together stipulate that:

1. The Respondent owns and operates a medium tactical vehicle manufacturing facility at the northeast corner of the intersection of Interstate Highway 10 and Pyka Road, approximately three miles west of the City of Sealy, Austin County, Texas (the "Facility").
2. The Respondent has caused, suffered, allowed or permitted the discharge of any waste or the performance of any activity in violation of TEX. WATER CODE ch. 26 or any rule, permit, or order of the Commission.
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about August 8, 2007.

5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Twenty-Eight Thousand Two Hundred Forty-Four Dollars (\$28,244) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Eleven Thousand Two Hundred Ninety-Eight Dollars (\$11,298) of the administrative penalty and Five Thousand Six Hundred Forty-Eight Dollars (\$5,648) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Eleven Thousand Two Hundred Ninety-Eight Dollars (\$11,298) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project.
7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that the Respondent has had a name change and has implemented the following corrective measures at the Facility by August 20, 2007:
 - a. Submitted the minimum pH data for the months of June and July, 2006;
 - b. Implemented a procedure whereby the effluent samples are being collected and reported in a timely manner and at the required frequency; and
 - c. Changed the Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0002462000 from Stewart & Stevenson Tactical Vehicle Systems, LP to BAE Systems Tactical Vehicle Systems LP on August 1, 2007.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Facility, the Respondent is alleged to have:

1. Failed to comply with the permitted effluent limitations, in violation of 30 TEX. ADMIN. CODE § 305.125(1), TEX. WATER CODE § 26.121(a), and TPDES Permit No. WQ0002462000, Effluent Limitations and Monitoring Requirements No. 1 for Outfall 001A, as documented in a record review conducted on July 17, 2007, as indicated in the table below.

Effluent Violation Table				
Outfall No. 001A				
Permitted Effluent Limits	Effluents Monitored			
	Flow Daily Average through conduit 0.395 MGD	Flow (Dry Weather) Daily Average 0.395 MGD	pH Effluent Gross Maximum Value of 9.5 SU	pH Effluent Gross Maximum Value of 10.0 SU
June 2006	0.660	C	C	C
July 2006	C	C	9.71	C
August 2006	C	C	9.77	C
January 2007	C	0.606	C	C
June 2007	C	C	C	10.3
July 2007	C	C	C	10.1

SU = Standard Unit	MGD = million gallons per day	C = compliant	mg/L = milligrams per Liter
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2. Failed to comply with the permitted effluent limitations, in violation of 30 TEX. ADMIN. CODE § 305.125(1), TEX. WATER CODE § 26.121(a), and TPDES Permit No. WQ0002462000, Effluent Limitations and Monitoring Requirements No. 1 for Outfall 201A, as documented in a record review conducted on July 17, 2007, as indicated in the table below.

Effluent Violation Table				
Outfall No. 201A				
Permitted Effluent Limits	Effluents Monitored			
	Total Suspended Solids Daily Average of 31 mg/L	Total Suspended Solids Daily maximum of 60 mg/L	Total Zinc Daily Average of 1.48 mg/L	Total Zinc Daily Maximum of 2.61 mg/L
August 2006	31.8	108	C	C
October 2006	C	C	1.54	3.06

SU = Standard Unit	MGD = million gallons per day	C = compliant	mg/L = milligrams per Liter
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3. Failed to comply with the permitted effluent limitations, in violation of 30 TEX. ADMIN. CODE § 305.125(1), TEX. WATER CODE § 26.121(a), and TPDES Permit No. WQ0002462000, Effluent Limitations and Monitoring Requirements No. 1 for Outfall 301A, as documented in a record review conducted on July 17, 2007, as indicated in the table below.

Effluent Violation Table					
Outfall 301A					
Permitted Effluent Limits	Effluents Monitored				
	Total Suspended Solids Daily Average of 20 mg/L	Total Suspended Solids Daily Maximum of 45 mg/L	Total Chlorine Residual Monthly Maximum of 4.0 mg/L	Biochemical Oxygen Demand (5 Day) Daily Average of 20 mg/L	Biochemical Oxygen Demand (5 Day) Daily Maximum of 45 mg/L
June 2006	C	50.80	4.12	C	C
November 2006	C	C	4.06	C	C
December 2006	C	C	C	24	C
January 2007	28	65	C	24	84
March 2007	73	187	C	26	73
July 2007	58.8	108	C	C	C

SU = Standard Unit	MGD = million gallons per day	C = compliant	mg/L = milligrams per Liter
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- Failed to submit monitoring results at the intervals specified in the permit, in violation of 30 TEX. ADMIN. CODE § 305.125(17), and TPDES Permit No. WQ0002462000, Reporting Requirements. Specifically, no Discharge Monitoring Report parameter data was submitted for the pH minimum at Outfall 001A for the monitoring periods ending June 30 and July 31, 2006, as documented during a record review conducted on July 17, 2007.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

- It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: BAE Systems Tactical Vehicle Systems LP, Docket No. 2007-1329-IWD-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a Supplemental Environmental Project ("SEP") in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Eleven Thousand Two Hundred Ninety-Eight Dollars (\$11,298) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. It is further ordered that the Respondent shall, within 90 days after the effective date of this Agreed Order, submit written certification of compliance with the permitted effluent limitations of TPDES Permit No. WQ0002462000, including specific corrective actions that were implemented at the Facility to achieve compliance and copies of the most current self-reported discharge monitoring reports, demonstrating at least three consecutive months of compliance with all permitted effluent limitations. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Manager, Water Section
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.

5. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

3/21/2008
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.



Signature

2/25/08
Date

Richard C. Hammond
Name (Printed or typed)
Authorized Representative of
BAE Systems Tactical Vehicle Systems LP

Site Leader/VI Operations
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

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Attachment A
Docket Number: 2007-1329-IWD-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	BAE Systems Tactical Vehicle Systems LP
Payable Penalty Amount:	Twenty-Two Thousand Five Hundred Ninety-Six Dollars (\$22,596)
SEP Amount:	Eleven Thousand Two Hundred Ninety-Eight Dollars (\$11,298)
Type of SEP:	Pre-approved
Third-Party Recipient:	Texas Association of Resource Conservation and Development Areas, Inc. ("RC&D")- Wastewater Treatment Assistance
Location of SEP:	Austin County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to provide low income rural homeowners with assistance to enable the repair or replacement of their failing on-site wastewater systems. SEP monies will be used to pay for the labor and materials costs related to repairing or replacing the failing systems. The recipients will not be charged for the cost of replacing or repairing the failing systems.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by protecting water sources for drinking, recreation, and wildlife from contamination from failing treatment systems

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Texas Association of Resource Conservation and Development Areas, Inc.
1716 Briarcrest Drive
Bryan, Texas 77802-2700

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

